PROVINCE OF SASKATCHEWAN

10-11

ANNUAL REPORT

SASKATCHEWAN
WATERSHED AUTHORITY

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

GENERAL COSTS

Listed are payees who received $50,000 or more for the provision of goods and services:

101073587 Saskatchewan Ltd.	$	103,330
1323897 Alberta Ltd.		51,917
Acadia Construction		171,016
Air Ride Building Movers		140,011
ALS Laboratory Group		73,617
AMEC Earth & Environmental		126,450
Armtec		326,077
Aquatic Informatics Inc.		125,978
Assiniboine Watershed Stewardship Association Inc.		100,185
Bergermann, Eugene & Mary & Natalie		52,613
Brockman Enterprises Ltd.		83,546
Campbell, Ken		54,773
Cansel - Calgary		56,292
CDW Canada Inc.		185,968
Clifton Associates Ltd.		1,270,016
Compugen Inc.		167,955
Ducks Unlimited Canada		58,159
Durham Geo Slope Indicator		90,647
Ema-Lyn Appraisals		203,350
Fairford Developments Inc.		311,511
FTS Forest Technology Systems		52,228
G. Ungar Construction Co. Ltd.		2,617,857
Galvin, Bob & Maxine		331,228
Geofocus Mapping Inc.		70,668
Gerrand Rath Johnson		230,194
Hauser, Brian & Betty		126,000
Henderson Insurance Inc.		93,474
Information Services Corp. of Sask		156,038
Innovation Place		133,440
Insight Software Canada Ltd.		51,320
Interbulk Canada		99,479
Irlbeck, Vaughn & Lisa		54,225
Jacobs Trading Company		310,779
Kalthoff, Clara		89,566
Kelly Panteluk Construction		230,725
Kontzamanis Graumann Smith MacMillan Inc.		193,525
Kuervers, Herman		66,410
Lakedale Farms Ltd.		91,500
Langenburg Redi-Mix Ltd.		1,418,465
Lemmerich, Gary & Kevin & David		62,890
Lower Souris Watershed Committee Inc.		80,257
Lux Construction Ltd.		357,562
Marketing Den, The		89,900
Marksteiner, Lorraine		105,417
McDougall Gauley LLP		87,830
MDH Engineered Solutions Corp.		1,250,884
Medlicott, Les & Melanie		53,645

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

Metafore Technologies Inc.	103,520
Ministry of Government Services	1,124,765
Moose Jaw River Watershed Stewards Inc.	103,062
Moose Range C.A.A.	65,086
Nagy, Cliff & Bendel, Tracy &	195,182
North Saskatchewan River Basin Council Inc.	110,000
Potzus Paving	908,000
Princess Auto Ltd.	56,919
Prouse, Darrell	60,000
Puetz, Bruce & Carla	140,875
Puetz, Clarence & Renee	71,625
RB3 Properties Inc.	111,061
React Waste Management	69,461
Receiver General for Canada	694,939
Reinhart, Ronald	61,613
Resort Village of Leslie Beach	97,296
Ridgewood Ranch Inc.	991,160
Robertson Stromberg Pederson - in trust to	
Lorraine Marksteiner	37,000
Joseph & Barbara Loose	35,000
Robert & Charlene Fleischhacker	241,004
Rosemont Properties Inc.	291,051
Ryan, Jamie & O'Sullivan, Martha	54,028
Salter, Sabah	91,925
Sask Power	121,302
Sask Research Council	245,982
Sask Tel CMR	141,811
Sask Tel Mobility	62,570
Saskcon Repair Services Ltd.	573,331
Schemenauer, Alan	82,373
Schlosser, Mary & Cliff	50,287
Schuler, William & Lonita	211,228
Scouts Canada, Saskatchewan	106,000
Shand Creek, C.A.A.	51,902
South Saskatchewan River Watershed Stewards Inc.	80,886
Spooner, James & Sherry	51,104
Stamatinos Leland Campbell,	90,000
Success Office Systems	64,928
Surf-Tec Corp.	269,979
Swift Current Creek Watershed Stewards Inc.	99,459
Tap Communications Inc.	144,700
Ternes, Allen & Penny	87,586
Thomcat Management Ltd.	268,755
Triple S Construction Co. Ltd.	333,641
Upper Souris Watershed	114,524
Vanin, Laura	85,749
Wascana & Upper Qu'Appelle Watersheds Association	90,523
Water Resource Consultants Ltd.	86,974
Weber & Gasper Law Office	236,495
Weiland, Andrew & Donna	55,996
Yarski, Allan	138,255

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

Supplier Payments Under $50,000	5,139,699
Total Payments to Suppliers	**$ 27,059,528**

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

PERSONAL SERVICES

Listed are individuals who received payments for salaries, wages and taxable benefits which total $50,000 or more:

Name	Amount
Adam, Arlene	$ 50,893
Almas, Muhammad	57,180
Ashrafi, Farooq	66,720
Barkway, Terry	108,255
Barsi, Sheldon	60,309
Bassingthwaite, Kelly	58,289
Bayda, Jason	66,508
Beler, Randy	65,604
Belitski, Reynold	72,697
Bishko, Andre	90,103
Bookout, Derrick	58,032
Brown, Jeremy	61,674
Burley, Jo-Ann	50,496
Carles, Bob	148,683
Chandna, Dharam Pal	95,514
Clark, Lorraine	59,964
Crush, Ronald	67,750
Darroch, Barbara	57,564
Davies, Heather	57,367
Davies, John-Mark	79,404
Dengler, Michael	55,278
Dickinson, Eileen	53,550
Driedger, Kimberlea	61,592
Duncan, William	124,276
Dybvig, Wayne	183,773
Eberle, Harvey	73,001
Elnady, Mohamed	69,232
Ermel, Brian	66,361
Espeseth, David	50,268
Fahlman, John	113,858
Feigel, Jeff	76,584
Firth, Deborah	65,710
Ford, Jayson	65,604
Ford, Lorelei	55,537
Fox, Frank	81,462
Franken, Johannes	107,399
Froats, Jason	50,892
Funk, Dolores	62,156
Garner, Megan	55,664
Gehl, Peter	71,916
Gerhart, James	138,153
Giesbrecht, Victor	65,604
Graham, Kevin	72,168
Graham, Larry	84,059
Grajczyk, Martin	95,514
Grigg, John	96,879

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

Gulka, Stacey	51,231
Gusikoski, Ashley	59,176
Haack, Garth	121,753
Hagen, Gordon	87,848
Hallborg, Curtis	64,826
Hamilton, Michael	79,431
Hammer, Richard	72,168
Hanley, P Terry	113,544
Harrison, Tom	113,544
Hauck, Brian	65,604
Hjertaas, Dale	132,444
Hood, James	71,208
Hosler, Lyle	95,514
Hrynkiw, Irene	90,326
Hrynkiw, Timothy	94,262
Hunter, Wendy	56,691
Hymers, Theresa	113,544
Janke, Gary	64,690
Janzen, Roland	72,319
Jasper, Ricky	66,687
Johnson, Douglas	121,524
Johnson, Patrick	65,604
Johnson, Russell	103,296
Keller, Alan	70,365
Kilgour, Douglas	103,168
Kirkness, Robert	95,514
Kozusko, Douglas	95,514
Krogan, Annilee	58,003
Lacharite, David	65,604
Larson, Warren	59,473
Laycock, Pat	88,766
Leniuk, Rod	66,538
Leugner, Lorna	56,848
Leslie, Cameron	82,986
Linthicum, Neal	52,906
Lo, Kei	89,398
Lundgren, Ashley	53,571
Macdonald, David	79,404
Maciag, Joseph	109,862
Mackisey, Roberta	76,284
Mander, Karen	53,064
McClinton, Brad	82,262
McGill, Daniel	83,472
McIntosh, Harlow	77,539
McKay, Wade	62,537
McMaster, Glen	104,388
Messner, Dave	62,542
Molde, Clinton	117,072
Neil, Gary	99,804
Newcombe, Donald	79,404
Oegema, Bart	103,389

Saskatchewan Watershed Authority
Payee Information for the Year Ended March 31, 2011

Ofukany, Sheldon		72,569
Oliver, Jody		65,385
Olson, Jeffrey		72,168
O'Neill, Kevin		61,623
Palmier, Janice		57,564
Patsack, Leslie		57,564
Phillips, Carol		53,064
Pittman, Jeremy		67,044
Pollock, Michael		60,589
Puckett, Jason		57,940
Rendall, Richard		51,792
Rogal, Casmir		99,445
Ross, Susan		132,444
Rowlett, Dwayne		115,107
Salamon, John		65,604
Scammell, Jody		83,734
Shumaker, Leonard		65,604
Siba, Dwayne		65,952
Simington, Marjorie		105,132
Soulodre, Etienne		77,814
Spenst, Duncan		61,457
Suchan, Murray		80,029
Szabo, Melvin		65,604
Taylor, Barry		83,093
Thomson, Warren		82,049
Tod, Robin		97,356
Truelove, Dennis		96,418
Tubbsum, Muhammad		61,725
Waggoner, James		113,751
Walcer, Robert		65,931
Watanabe, Akira		69,432
Wilcox, Carman		57,576
Will, Gordon		105,132
Wingert, Kevin		77,912
Wu, Kangsheng		65,604
Young, Allan		79,404
Salaries and taxable benefits under $50,000		2,754,212
Total Salaries and taxable benefits	**$**	**13,241,230**
Employee Benefits		2,142,564
Employee Travel and other costs		1,315,776
Total Employee Costs	**$**	**16,699,570**
TOTAL EXPENDITURES	**$**	**43,759,098**

Table of Contents

Letters of Transmittal 3
Introduction 10
Alignment with the Government's Direction 10
Organization Overview 11
Progress in 2010-11 13
2010-11 Financial Overview 31
For More Information 45
Appendices 46
Appendix 1: Organizational Chart – March 31, 2011 46
Appendix 2: Regions and Office Locations 47

For more information on Saskatchewan Watershed Authority or to obtain a digital copy of this report please visit **www.swa.ca.**

Letter of Transmittal - Minister

July 29, 2011

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

The Government of Saskatchewan is committed to delivering and building on its promises to the people of Saskatchewan. Part of that commitment is accountability. One way to be accountable is to publish plans and then report on our success in achieving the commitments made in those plans. In this Annual Report, the Saskatchewan Watershed Authority details the progress on the commitments made in its 2010-11 Plan and reports on a number of performance measures.

Your Government is also committed to ensuring that Saskatchewan is a safe place to live and raise a family. Through the past year, the province faced major challenges from flooding due to rainfall in 2010 and the need for flood preparation in spring 2011. Saskatchewan Watershed Authority played a major role in preparing for and managing these floods through the Emergency Flood Damage Reduction Program, the Fishing Lake channel construction, relocation of Waldsea Lake cottages, ongoing flood forecasting and other projects. I want to take this opportunity to acknowledge the outstanding work performed by Saskatchewan Watershed Authority employees to help maintain a secure Saskatchewan.

Effective management of our water supplies is essential to maintain the quality of life in Saskatchewan and to ensure continued opportunities for growth and development. The initiatives pursued in 2010 -11, and those planned for 2011-12, will help ensure water continues to be available to support our communities.

Dustin Duncan

Minister Responsible
Saskatchewan Watershed Authority

Letter of Transmittal - Chair

June 29, 2011

The Honourable Dustin Duncan
Minister Responsible
Saskatchewan Watershed Authority

Sir:

I am pleased to submit the Annual Report of the Saskatchewan Watershed Authority for the fiscal year ending March 31, 2011. This report is a comprehensive review of the activities and results achieved by the Watershed Authority.

Watershed Authority staff responded to flooding caused by record rainfall during the summer of 2010 and above-average snow fall through the winter, using several initiatives to address flood risk. These included development and delivery of the Emergency Flood Damage Reduction Program, construction of an outlet channel at Fishing Lake and addressing the flooding situation at Waldsea, Houghton and Deadmoose lakes. At the same time the Watershed Authority continued to make progress on major initiatives such as water conservation, watershed planning, source water protection and rehabilitation of infrastructure.

This year has highlighted the important role water plays in the province and the importance of preparing for some of the extremes of flood and drought.

Respectfully submitted,

Elizabeth Quarshie

Chair of the Board
Saskatchewan Watershed Authority

Letter of Transmittal - President

June 29, 2011

Elizabeth Quarshie
Chair of the Board
Saskatchewan Watershed Authority

Madam:

It is my honour to provide this report on the progress and accomplishments of the Saskatchewan Watershed Authority for the year ending March 31, 2011.

This report, prepared by the Saskatchewan Watershed Authority, presents an accurate and reliable account of the activities and finances for the 2010-11 fiscal year. Management is responsible for financial and administrative management of the Saskatchewan Watershed Authority and was responsible for preparation of this report.

I affirm that the information included in this report is factual and complete. This report represents the final stage in our annual cycle of planning and reporting.

Management prepared the financial statements in accordance with Canadian generally accepted accounting principles for government organizations and had these reports reviewed by our auditors, Deloitte and Touche LLP, and the Provincial Auditor.

The Saskatchewan Watershed Authority leads management of the province's water resources to ensure safe and reliable water supplies for economic, environmental and social benefits for Saskatchewan people.

Water is essential for the health of our population, economy and ecosystems. As such, water is crucial to the achievement of Government's three broad goals. This report describes actions undertaken by the Saskatchewan Watershed Authority to ensure safe and reliable water supplies.

These actions fall into five main areas of work:

- Managing the water supply for economic, social and environmental needs.
- Protecting surface and ground water quality.
- Developing, owning and managing the province's water management infrastructure.
- Collecting and analyzing data and providing information to support water management and use.
- Reducing damage from flooding.

A major work area for the Saskatchewan Watershed Authority during the past year was preparing for widespread flooding in spring 2011, caused by high precipitation in the summer and fall of 2010 combined with above-average snowfall this past winter. The Watershed Authority conducted additional snow surveys to improve forecasts and lowered reservoirs in preparation for floods. In addition, the Watershed Authority, working in close cooperation with the Ministry of Corrections, Public Safety and Policing, developed the Emergency Flood Damage Reduction Program, which encouraged communities and individuals to prepare for flooding by providing them with financial assistance and engineering support, and a new website, www.saskflood.ca, to provide the people of Saskatchewan helpful safety information and timely flood forecasts. By the end of the fiscal year, more than 500 applicants were receiving assistance with flood preparations, with new requests being received daily. I wish to acknowledge the strong support from engineering consultants across the province who adjusted schedules and brought in staff from other provinces to quickly design emergency flood protection measures for communities and rural residences. I also wish to acknowledge the communities and individuals whose foresight and cooperative approach helped to reduce flood damage.

In October of 2010, the Provincial Auditor assessed the Watershed Authority's process for assessing and managing risk to the provincial water supply. The Auditor's recommendations included:

1. Board approval of a risk identification policy;
2. Better documented processes to collect water supply information;
3. An ongoing systematic evaluation of data to identify risks;
4. Better documentation of risks, and;
5. A process to communicate degree of risk to the public.

In response to the Auditor's report, the Watershed Authority agreed with all the recommendations. The Watershed Authority will formally develop and approve its risk assessment/management process by 2012. The results from the risk assessments will be integrated into the annual priority and budget development process.

The initial priority will be undertaking a risk assessment on the water supply issue to meet the spirit and intent of the Auditor's report.

Some additional highlights of the Saskatchewan Watershed Authority's work in 2010-11 include:

- Advanced water conservation by encouraging replacement of 16,037 toilets with new, low flow models, saving over 320 million litres of water per year.
- Continued work on the Water Availability Study to provide a comprehensive assessment of surface and ground water supplies.
- Invested approximately $3,437,000 on the rehabilitation of its water management infrastructure.
- Working with local stakeholders, prepared the Upper Souris Watershed Protection Plan, which means 82% of Saskatchewan's population is now covered by a watershed plan.
- Constructed the Fishing Lake channel under the Emergency Fishing Lake Protection Plan, providing a long-term solution to ongoing flooding concerns in the area.
- Implemented a long-term solution to ongoing water issues at Waldsea, Deadmoose and Houghton lakes.

- Established and administered Saskatchewan's flood website, www.saskflood.ca, to provide timely flood forecasts and runoff updates.
- Administered the Emergency Flood Damage Reduction Program to help Saskatchewan municipalities mitigate flood damage and offset related costs.
- Conducted free testing of 349 private drinking water wells impacted by flooding across the province in the summer of 2010.

I look forward to the challenges of the coming year, as we work to ensure a safe and sustainable water supply for the people of Saskatchewan.

Respectfully submitted,

Wayne Dybvig
President

Saskatchewan Watershed Authority

Introduction

This Annual Report presents the Saskatchewan Watershed Authority's activities and results for the fiscal year ending March 31, 2011. It reports on public commitments made, and other key accomplishments of the Watershed Authority.

With the release of the Saskatchewan Watershed Authority's Plan for 2010-11, results are provided on publicly committed strategies, actions and performance measures identified in the Plan. This report also demonstrates progress made on Government commitments as stated in the *Government Direction for 2010-11*, the Minister's Mandate letter, throne speeches, and other commitments.

The 2010-11 Annual Report sets the stage for the planning and budgeting process for next year by providing an opportunity to assess past successes and lessons learned, review and analyze the 2010 results and find opportunities for improvement where applicable.

The report also includes audited financial statements for the year ending March 31, 2011, as required by *The Saskatchewan Watershed Authority Act, 2005*.

The Saskatchewan Watershed Authority's latest plans and Annual Reports are available on our website at: www.swa.ca/AboutUs/PerformancePlans.asp.

Alignment with Government's Direction

The Saskatchewan Watershed Authority's activities in 2010-11 align with Government's vision and three goals.

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- **Sustain Economic Growth** for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- **Secure Saskatchewan** as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- **Keep Government's Promises** and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, the Saskatchewan Watershed Authority and all ministries and agencies support the achievement of Government's three goals and work toward a secure and prosperous Saskatchewan.

The Saskatchewan Watershed Authority's work during 2010-11 addressed all three of Government's Goals:

- To **Sustain Economic Growth** – working to ensure a sustainable water supply, including allocation of surface and ground water, delivering water conservation programming, and operating and rehabilitating water management infrastructure.
- To **Secure Saskatchewan** – working with high-risk communities to identify and address threats to drinking water sources, to reduce risk of flood damages in the province and assessing risk to rural water supplies following flooding.
- To **Keep Government's Promises** – working toward reconciliation in water management, while meeting legal responsibilities for consultation and accommodation regarding First Nations and Métis peoples.

Organization Overview

As a Treasury Board Crown Corporation, the Saskatchewan Watershed Authority leads management of the province's water resources to ensure safe sources for drinking water and reliable water supplies for economic, environmental and social benefits for Saskatchewan people.

The Saskatchewan Watershed Authority maintains and operates 45 dams and 130 kilometres of conveyance channels plus ancillary works, and makes significant investments in the rehabilitation and upgrading of this infrastructure each year. The Watershed Authority provides hydrology expertise to enable opportunities, guide allocations and predict floods. With Canada, the Watershed Authority operates the 300 station hydrometric network to collect data on stream flows and lake levels. All major surface water allocations, including municipal, industrial, irrigation and intensive livestock uses, are approved by the Watershed Authority to ensure water use is sustainable. Employees from the Watershed Authority also represent Saskatchewan on trans-boundary water issues.

Much of Saskatchewan depends on ground water for domestic, municipal, industrial and agricultural uses. To protect this resource, the Watershed Authority licenses all but domestic users to ensure new development does not adversely impact existing users, operates the provincial ground water monitoring network, conducts regional ground water mapping and resource assessment, and provides information to citizens and industry to help locate ground water supplies.

Sound water management and expertise are crucial to successfully meet the increasing demand for water and to support the growing economy while maintaining healthy ecosystems. The Watershed Authority, through the Water Availability Study and hydrometric and water quality programs, is making significant investments in improving knowledge of the quantity, quality and use of surface and ground water supplies.

To reduce flood damage, Saskatchewan Watershed Authority hydrologists map areas at risk in a 1:500 year flood and work with Ministry of Municipal Affairs to ensure at-risk development is prevented in those areas. The Watershed Authority provides financial assistance through the Water Control Program to municipalities and Conservation and Development Area Authorities to maintain water channels and reduce flood risk.

Wet conditions in the fall of 2010 combined with above-average snow fall in winter 2010-11 created potential for widespread spring flooding. The Watershed Authority provides flood forecasts each year and works to provide reservoir operating plans. However, to meet the 2010-11 flood challenge, additional work was done on forecasting, including special snow surveys. Significant efforts were made to alert communities and individuals to flood risks. Several emergency initiatives were put in place, including the Emergency Flood Damage Reduction Program.

Public understanding, support and participation are crucial to effective water management, including efforts to protect source water. The Watershed Authority works with community representatives to develop source water protection plans for watersheds and aquifers. Plans include initiatives to help landowners improve watershed health through restoration of riparian areas, protection of wetlands and grasslands, and encouragement of management practices that benefit fish and wildlife and protect water sources. Protection plans have been completed in eight watersheds (Assiniboine River, Lower Souris River, Moose Jaw River, North Saskatchewan River, South Saskatchewan River, Swift Current Creek, Upper Qu'Appelle River & Wascana Creek, and the Upper Souris River) as well as a plan for the Yorkton area aquifers. There are currently two more watershed plans in progress; the Carrot River Watershed and the Lower Qu'Appelle River Watershed.

The watershed associations formed to implement the source water protection plans are very important partners. The Watershed Authority works with and provides financial support to these associations to implement the plans.

Organization Overview

Conservation and Development Area Authorities and rural municipalities are also key partners and the Watershed Authority supports their work with grants under the Water Control Program.

Legislative Responsibilities

The Saskatchewan Watershed Authority administers and is responsible for the following legislation:

- *The Saskatchewan Watershed Authority Act, 2005*
- *The Conservation and Development Act*
- *The Water Power Act*
- *The Watershed Associations Act*

Funding Resources

The Saskatchewan Watershed Authority relies on several revenue sources, including grants from the province's General Revenue Fund; water rental charges through *The Water Power Act*; industrial water use charges; grants from the Ministry of Environment, Fish and Wildlife Development Fund; and contracts with government and nongovernment agencies, associations and other sources.

Organizational Structure

The Saskatchewan Watershed Authority reports to the Honourable Dustin Duncan (minister responsible) and is governed by a one-person Board of Directors, Ms. Elizabeth Quarshie (Deputy Minister of Environment).

The Saskatchewan Watershed Authority has five divisions: Operations, Corporate Services, Policy and Communications, Infrastructure Management and Legal Services (see Appendix 1). At the end of the reporting period, March 31, 2011, the Saskatchewan Watershed Authority had 172 employees (165.42 full-time equivalents) which is a reduction of 7.79 full time equivalents compared to the previous year. These values do not include employees on approved leaves of absence.

The Corporate Services Division also provides payroll services, finance, and information technology support to SaskWater on a contractual basis. The Saskatchewan Watershed Authority's Head Office is located in Moose Jaw, but many services and programs are delivered through its regional offices in Nipawin, North Battleford, Swift Current, Weyburn and Yorkton, and other offices in Regina, Saskatoon, Gardiner Dam and Rafferty Dam (see Appendix 2).

Progress in 2010-11

The Saskatchewan Watershed Authority supports Government's goal to Sustain Economic Growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

Ensure water supplies are sustainably used and allocated to meet the needs of a growing economy

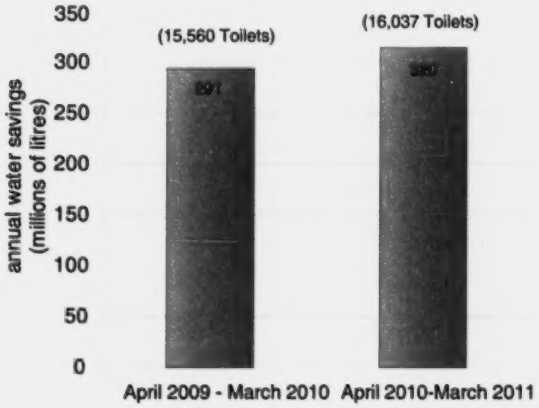
Reporting Results

- Continue work on the water use component of the Water Availability Study which will provide critical information about water use in water-short areas of the province.
  - During this fiscal year, 1452 domestic projects were reviewed to identify their need for a new revised licence. Of that 561 licences were reissued and 60 domestic projects were cancelled.
  - Twenty-six field inspections were conducted on targeted projects, six sites were found that did not appear to be licensed projects. More than 760 of approximately 1230 re-issuances were sent to project proponents.
  - Overall, this assessment is approximately 40% complete with an estimated four years remaining until quantifiable water use metrics and conclusions can be realized.
  - Data collected so far validates the need to continue applying resources to achieve the goal of this Study. The work to date reflects easy to resolve situations from a regulatory and administrative perspective. Future work will require increased efforts to resolve licensing issues.
- Deliver the Provincial Toilet Replacement Rebate Program.
  - During the year the Watershed Authority received applications from 11,447 households and rebates were provided for 16,037 low flow toilets.
  - In addition, through the Watershed Authority's water conservation partnerships with 30 municipalities, residents eligible for rebate under the provincial program could apply for a further rebate from their municipality.
  - Since the rebate program began in January of 2009, more than one billion litres of water have been saved and more than 3550 tonnes of CO_2 emissions avoided.
  - The Watershed Authority also promoted water conservation through community partnerships targeting municipal water system leaks and outdoor water use and promotions such as workshops, advertising campaigns and conservation booklets.
- Continue a five-year program to develop reservoir operating plans for all Watershed Authority reservoirs by completing five plans.
  - Completed the second year of this five-year program. A Reservoir Operating Plan sets out guidelines for the operation of a reservoir under normal, low and high flow conditions.
  - Draft operating plans for 11 reservoirs were written or started during the fiscal year and are in various stages of development and review. Approximately 30 plans remain to be initiated. These will be initiated over the next 3 years.
  - Final drafts were not completed during the fiscal year due to the need to direct staff to the extensive preparations and forecasting for the spring 2011 runoff and flooding.

Progress in 2010-11

Measurement Results

Toilets replaced and estimated annual water savings due to the Provincial Toilet Replacement Rebate Program

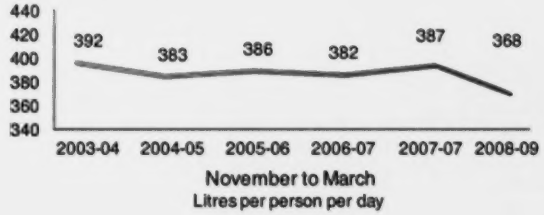


Toilets are the largest consumer of water in a household, and the widespread transition to low flow toilets supports sustainable water use. The Provincial Toilet Replacement Rebate Program, funded through Go Green Saskatchewan, began in January 2009 and provides a $50 rebate for replacing an older, 13 litre or greater toilet with a low-flow model.

The water savings measure estimates the annual savings from toilet replacements under the program in the given fiscal year. It is important to note that the one-time investment in a new toilet will continue to provide water savings as long as that toilet is in place. Reduced water use also results in a reduction of CO_2 emissions due to reduced pumping requirements. In 2009-10, the program supported the replacement of 15,560 toilets, resulting in 291 million litres of water saved and 900 tonnes of CO_2 avoided. In 2010-11, 16,037 toilets were replaced, 320 million litres of water saved and 957 tonnes of CO_2 avoided.

The measure is calculated on the basis of the difference between the old toilet flush volume and the new low-flow toilet flush volume[1] and the average number of flushes per toilet per day based on average occupancy per household[2].

Winter municipal per capita water consumption[3]



This measure indicates water conservation as it relates to municipal water use, including use in the home, in businesses, and for public services such as fire fighting, road building, public pools and rinks. It also includes water lost due to system leakage. Only the winter consumption measure is presented, as it more clearly shows trends in municipal water use. Further, the winter consumption measure has been adjusted to include First Nations communities as accurate data is received from most such communities in the province and First Nation communities represent a large portion of the provincial population, therefore improving overall sample representation. To account for this adjustment, the reported numbers for this measure have been adjusted from previous years.

Residential water conservation is a critical component of overall municipal water conservation. In 2006, residential water use in Saskatchewan accounted for an estimated 44 per cent of the total annual municipal use[4]. Toilets alone account for an estimated 30 per cent of in-home residential use[5]. The Watershed Authority's current water conservation initiatives are focused on promoting residential conservation practices and should directly influence this measure.

1. Environment Canada. 2006. "Municipal Water Use 2006 Summary Tables." Accessed at http://www.ec.gc.ca/eau-water/default.asp?lang=En&n=851B096C-1#sub2 on February 18, 2010.
2. Old toilet volume – new toilet volume x 5 (average number of flushes per day) x 2.4 (average number of people per Saskatchewan household) x n (number of days for that toilet). Assumptions: the replaced toilet is the toilet mainly used in the household; sectors other than residential follow similar usage patterns.
3. Data are collected on a calendar year basis. The 2009-10 data will not be available until July 2011.
4. Environment Canada. 2006. "Municipal Water Use 2006 Summary Tables." Accessed at http://www.ec.gc.ca/eau-water/default.asp?lang=En&n=851B096C 1#sub2 on February 18, 2010.
5. Based on toilets accounting for an estimated 30 per cent of indoor usage. Source: Environment Canada. "Water Use in the Home." Accessed at http://www.ec.gc.ca/eau water/default.asp?lang=En&n=851B096C-1#sub2 on February 18, 2010.

Progress in 2010-11

Ensure water supply information is available and understood to meet the needs of a growing economy.

Reporting Results

- Operate, with Canada, the 300 station federal/provincial hydrometric network.
  - The Watershed Authority continued its ongoing work to operate, with the Government of Canada, the 300-station federal/provincial hydrometric network. This network consists of 150 hydrometric stations operated by the Watershed Authority, along with 150 hydrometric stations that Water Survey of Canada operates. The information from some sites is available to the public on the Watershed Authority web site. The information is used to predict flood peaks, determine peak water levels, and guide management of water supply. It was very useful in recording and helping manage water flows produced by record rainfall across much of southern Saskatchewan through the 2010 summer.
  - The operation of this network provided data on daily fluctuations of lake levels and flow rates at key locations across the province.
- Complete the second year of a $7.5 M multi-year Water Availability Study to develop the information needed to support sustainable water resource decisions that can address economic growth and adjust to changes in our water supply due to climate variability.
  - In this fiscal year, the Watershed Authority completed the second year of a multi-year ground water mapping and characterization of the Saskatoon Map Sheet. The procedure for future mapping and the development of mapping standards is 90% complete. While no maps were completed in this fiscal year, this procedure will be used in the next fiscal year as the standard for groundwater mapping in additional areas and is necessary to enable completion of the twenty maps required in future years. This new generation of groundwater mapping will greatly improves understanding and access to information on groundwater supplies.
- Review water quantity and quality conditions of transboundary streams.
  - The Watershed Authority continued work with the Prairie Provinces Water Board (PPWB) to revise surface water quality objectives for the eleven PPWB monitoring stations on the interprovincial borders by analysing historical data and reviewing alternate objective setting techniques. Revised water quality objectives, including objectives for nutrients, are expected to be established by the PPWB during 2011-12.
- Collect and assess water quality data from the critical sites related to Watershed Authority activities.
  - During this fiscal year, water quality data was collected and assessed from critical sites, including Fishing Lake, Lake Lenore, Qu'Appelle River and the Qu'Appelle lakes.
  - Water quality data collected at Fishing Lake was used in the development of a water quality monitoring agreement with Manitoba on operation of the new conveyance channel downstream from Fishing Lake.
  - The data collected from the Qu'Appelle Valley will be used to develop site specific surface water quality objectives as part of the Water Management Agreements being negotiated with Qu'Appelle First Nations.
  - The data collected from Lake Lenore and the surrounding lakes is being used to assess the impacts of saline waters on aquatic habitats.

Progress in 2010-11

Develop and rehabilitate Watershed Authority-owned water management infrastructure to support economic growth

Reporting Results

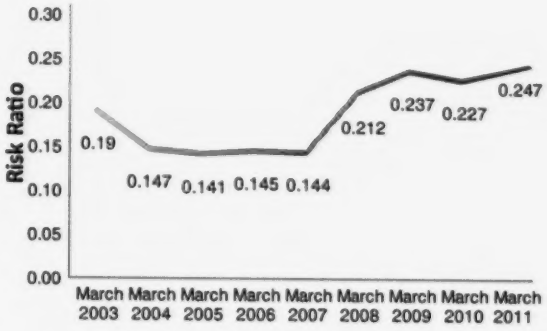
- Continue to work towards the transfer of Qu'Appelle Valley water control structures from Agriculture and Agri-Food Canada to the Watershed Authority once appropriate financial compensation is negotiated and First Nation's flood claims are settled.
  - These negotiations have been halted, by mutual agreement, until final resolution of the First Nations' flood claims is achieved. Resolution of the First Nations' flood claims is a necessary condition for transfer of these structures. Negotiations will resume once the flood claims are settled.
- Analyse the merits, feasibility and implications of taking transfer of all or a portion of the federally owned dams in southwest Saskatchewan.
  - This analysis was begun and a federal/ provincial group met in the spring to discuss divestiture of the projects. Little progress was made on the assessment due to the need to direct resources to the flooding problems in 2010.
- Continue to work with local governments and stakeholders to develop recommendations to government on how to proceed with improvements to, or replacement of, the Upper Qu'Appelle Conveyance System.
  - The Watershed Authority entered into an agreement with the South Central Enterprise Region (SCER) to assess the technical and economic viability of constructing an upland canal to supply water from Lake Diefenbaker to Buffalo Pound Lake.
  - Construction of the canal would provide a secure water supply for existing and future demands in the Qu'Appelle River basin.
  - SCER has secured $1.5 M funding from Enterprise Saskatchewan to conduct the feasibility study.
  - By year end, a number of consultants had been, or were in the process of being, engaged to undertake project component-specific investigations. The final study report is due by September 2012.
- Undertake rehabilitation of priority works, including the following:
  - construct a new control structure at the outlet of Makwa Lake;
  - complete designs and obtain regulatory approval for a fishway at Katepwa Weir;
  - complete work associated with dam abutment slope stabilization at Theodore Dam;
  - repair and armour upstream slope of Zelma Dam; and
  - complete repairs to Rafferty Dam to resolve seepage problem.
  - A new concrete control structure at the outlet of Makwa Lake was completed in the fall of 2010. The new structure replaces a dilapidated timber stop log control structure, which was difficult and dangerous to operate, and incorporates a fish passageway, allowing fish to move past the dam into Makwa Lake.
  - The design of a fish passageway at Katepwa Weir was advanced during the fiscal year, but not completed. The Watershed Authority intends to complete the design in the upcoming year.
  - Cracks within, and slumping of, the right abutment of the Theodore Dam were identified following the 2009 spring runoff. Subsequent investigations confirmed a serious dam safety issue. Preparation of a remedial design and construction of stabilization works was fast-tracked that year. Additional slope stabilization was determined necessary and completed in 2010. Without these project upgrades, the dam would likely have failed during the extreme 2011 spring runoff.
  - The upstream face of Zelma Dam suffered substantial erosion from wind storms in September 2009, as well as the following spring. The first phase of

repairs, consisting of the supply and placement of granular bedding material on the dam face, was completed in the autumn of 2010. Under a subsequent contract, rock rip-rap was supplied and stockpiled on site. The Watershed Authority intends to install the rip-rap during 2011.

- In response to the appearance of a seepage area in the upper left abutment of Rafferty Dam in July 2009, the Watershed Authority commissioned investigations and the preparation of remedial designs, and undertook modifications to the dam. These modifications included the installation of subsurface drainage improvements as well as construction of a stabilization berm at the toe of the abutment. Successful completion of these modifications allowed the dam to again fulfill its design use for flood control purposes. Fortunately, these project upgrades were completed in 2010, enabling the Watershed Authority to mitigate downstream flood impacts arising from the abnormally high 2011 spring runoff flows.
- In addition to planned work, the Watershed Authority replaced a failed road structure on the Christopher Lake Outlet Channel. In May 2010, high flows in the outlet channel from Christopher Lake washed out a drop structure through a principal municipal road in the RM of Buckland. The Watershed Authority designed and installed a replacement structure to restore the road to use by mid-October. In addition to increased hydraulic capacity, the replacement structure also provides for fish passage.

Measurement Results

Risk associated with water management infrastructure



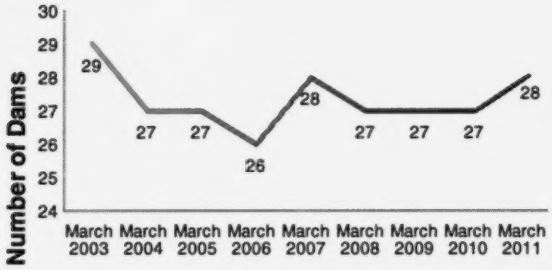
This graph shows the Watershed Authority's progress in upgrading its infrastructure to acceptable standards, and the overall risk associated with the province's water management infrastructure, including dams and water conveyance works. As an intermediate outcome measure, the Watershed Authority uses a ratio of the assessed risk to the total possible risk to establish targets and measure progress in reducing risk associated with its infrastructure. Risk, defined as the likelihood of a failure multiplied by the consequences of a failure, has been assessed in relative values. A lower ratio indicates safer infrastructure, with a ratio of zero indicating no current assessed risk. Numerically the risk ratio can be expressed as:

Risk Ratio = Σ Assessed Current Risk / Σ Total Possible Risk.

While the Watershed Authority rebuilt Makwa Dam and repaired the left abutment at Rafferty Dam, which lowered the risk ratio associated with these particular works, dam safety issues at other dams pushed the overall index higher. Among the issues that increased the risk ratio Gardiner Dam's risk rose as a result of the

unexpected and sporadic flow increases in the dam's foundation drainage system. Further, Tee-Pee Creek Dam, a small diversion structure, failed during the 2010 summer. While the consequences of this failure were slight, it impacted the performance measure.

Number of dams requiring upgrades to meet safety and operational criteria



This measure quantifies the number of Watershed Authority dams which require upgrades to meet the provisions of the Dam Safety Guidelines (2007) published by the Canadian Dam Association. The Watershed Authority is responsible for the operation and maintenance of 45 dams and, like all provincial governments and major utilities across Canada, manages its works generally in accordance with these Guidelines. Depending upon the dam, a failure could have significant economic and safety consequences. However, unlike the risk ratio, this measure does not indicate the severity of the identified deficiencies. This measure is useful in gauging progress made over time to reduce the number of deficient dams. As may be noted by the performance measure values of the past eight years, no significant progress has been achieved in this respect.

These measures are of interest to the Government as the safety of dams and the operational capability of water conveyance works are fundamental to public safety and to dependable water supplies to support the economy.

Work co-operatively with provincial, national and international governments to ensure effective water management in Saskatchewan

Reporting Results

- Collaborate with Western Water Stewardship Council and the Council of the Federation partners on joint initiatives relating to water.
  - As a member of the Western Water Stewardship Council, the Watershed Authority worked to adapt the United States Environmental Protection Agency's WaterSense label for water efficient technologies in Canada. The WaterSense label is expected to be introduced to Canada in 2011.
  - The Council of the Federations' Water Charter called for celebrations of World Water Day. The Watershed Authority worked with the Council of the Federation and other partners on celebrations of Canada Water Week and World Water Day. The Watershed Authority developed a Canada Water Week logo, which all provinces will continue to use for future Canada Water Weeks.
  - The Watershed Authority worked with schools, watershed associations and other groups to organize water week celebrations.
- Develop a Drought and Excessive Moisture Preparedness Plan to address climate change through an interprovincial framework with support from the Western Water Stewardship Council.
  - Responding to excessive moisture conditions resulting from record rainfall in many areas of southern Saskatchewan took staff time away from this initiative and little progress was achieved on an interprovincial framework.
- Ensure all obligations under trans-boundary water sharing agreements, including the Prairie Provinces Water Board, are met.
  - In 2010-11, the Watershed Authority met all obligations under trans-boundary

water sharing agreements including the Master Agreement on Apportionment, the Mackenzie River Master Agreement, and the Canada-USA Agreement for Water Supply and Flood Control Agreement in the Souris River Basin.

- Represent the province on the Canadian Council of the Minister of Environment Water Agenda Development Committee.
  - Approval for a three year work plan for this Committee was received from the Ministers.
  - Work is continuing on multiple water issues including within the Canadian Council of Ministers of the Environment with benefit to Saskatchewan.

The Saskatchewan Watershed Authority supports Government's goal to Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

Work with communities to identify potential water threats and ensure protection of our water resources.

Reporting Results

- In partnership with the Ministry of Health and the corresponding regional health districts, undertake risk assessments on community water supplies and develop recommendations to minimize risks.
  - For 2010, high levels of precipitation resulted in flooding in many areas of Saskatchewan, including Maple Creek, Yorkton and North Battleford, and led to surface water infiltration and contamination of private and regulated drinking water wells. This presented a significant risk to human health.
  - In response to this potential health risk, the on-going risk assessment of communities was put on hold and the Watershed Authority provided free source water sampling of private wells (used as potable sources) that had been impacted by flooding. A total of 349 wells were tested for nitrate, E. coli and total coliforms and of these wells, 68% had exceedances of total coliforms, E. coli, and/or nitrate. Twenty percent of the wells tested were contaminated with nitrate, and could not be purified using shock chlorination. The owners of the wells that could not be purified were encouraged to seek out a safe water source or to look into reverse osmosis or other applicable treatment options.
  - The Communities at Risk program will resume in the spring of 2011, with Cowessess First Nations being the candidate community.
- Continue community-based watershed planning, including the completion of the Upper Souris Watershed Source Water Protection Plan.
  - The Upper Souris Watershed Source Water Protection Plan was completed and released on October 25, 2010. With the completion of this report, 82 % of Saskatchewan's population is now covered by watershed source water protection plans.
  - The Watershed Authority provided financial and technical assistance to establish the Upper Souris Watershed Association, a community-based non-profit corporation, which now leads the implementation of the Watershed Protection Plan.
  - Work continues toward completion of the Carrot River and Lower Qu'Appelle River Watershed Protection Plans.
- Coordinate the implementation of Agri-Environmental Group Plans and Watershed Protection Plans in partnership with watershed groups and Ministry of Agriculture.
  - Twenty-two Agri-Environmental Group Plans are being implemented with funding via the Growing Forward Program and the Ministry of Agriculture. These Plans are intended to mitigate or minimize

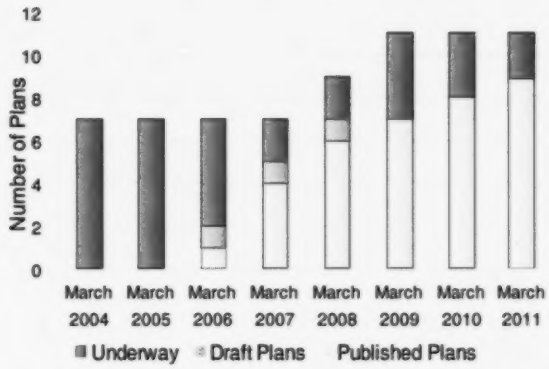
negative impacts to the environment, and to maintain soil, water or air quality and biodiversity to ensure the health and sustainability of land used for agricultural purposes. In 2010-11, the Agri-Environmental Group Plans resulted in over 1500 applications from land users for a range of beneficial management projects. These groups are encouraged to cooperate and share resources to increase efficiencies where geographical overlap occurs. For the most part, there is strong cooperation. Where there is no geographical overlap between Watershed Protection Plans and Agri-Environmental Group Plans, implementation funding was provided by the Watershed Authority.

- Provide financial and technical support to watershed groups (previously identified) for Watershed Protection Plan implementation activities.
  - In this fiscal year, the Watershed Authority provided $640,000 to the watershed groups for the implementation of eight Watershed Protection Plans. This money provides core funding to the watershed groups to cover the salary of the watershed manager and for operation of the office.
  - Watershed Authority staff also provided technical support to the watershed associations.
- Assist watershed groups to leverage additional funding for implementation of Watershed Protection Plans.
  - To help watershed groups obtain additional funding for implementation of Watershed Protection Plans, Watershed Authority staff assisted with the development of proposals to various agencies, including but not limited to Lake Winnipeg Stewardship Fund, EcoAction, Habitat Stewardship Fund, Growing Forward, Innovative Approaches Fund and Regional Adaptation Collaborative.

  In the past year, groups have leveraged between two and five times their grant from the Watershed Authority for watershed plan implementation.

Measurement Results

Number of watershed and aquifer plans under development, in draft, and published

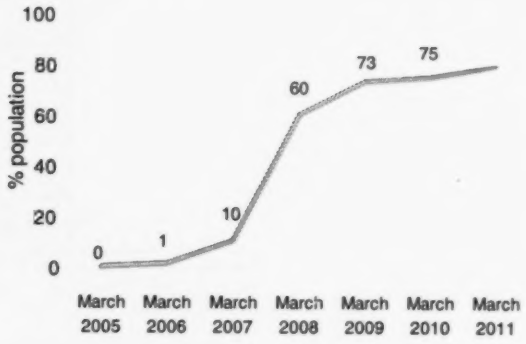


This measure is of interest to Government as an indicator of progress toward source water protection, supporting adequate and quality water supplies. Local advisory committee representatives develop watershed or aquifer plans, with watershed plans directed at protection of surface water and aquifer plans directed at groundwater. Completed plans set water management priorities and identify emerging water issues.

The Watershed Authority leads the planning process, directly influencing this measure. Originally the Watershed Authority initiated seven plans and, as plans were completed and staff became available, additional planning processes were initiated. The measure illustrates that the first completed plans occurred in year three, and the numbers reflect that planning processes are consistently coming to completion.

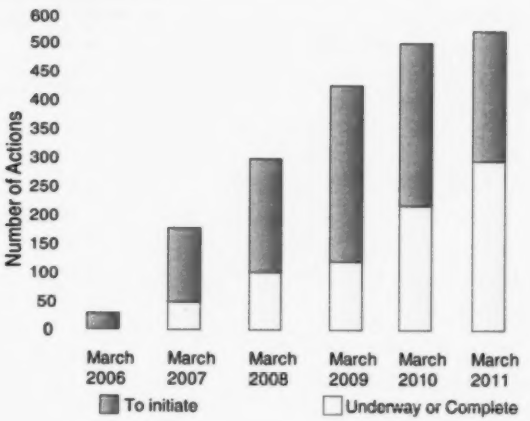
Progress in 2010-11

Proportion of provincial population covered by a completed watershed protection plan



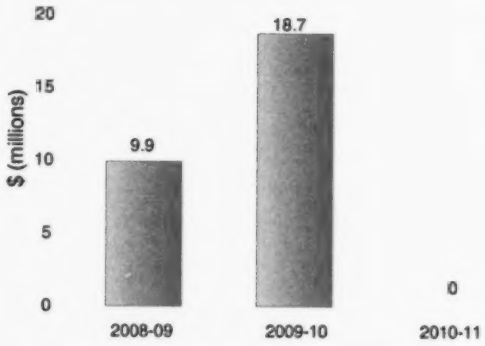
As with the measure above, this measure is of interest to the Government as an indicator of progress toward source water protection. This measure, however, provides some meaningful context to the number of plans by adding the percentage of the population covered. The measure indicates that the Watershed Authority has targeted early planning efforts at areas of highest population, and that the majority of the province's population lives in an area where a planning process has been completed. Population data is derived from 2006 census data.

Total number of watershed and aquifer plan key actions underway or complete in the province



This measure is of interest to the Government as an indicator of progress toward source water protection. Watershed and aquifer plans identify key actions needed to protect source water. Each key action specifies the organization(s) responsible for implementation. Local implementation committees lead or influence others to undertake implementation of actions. The Watershed Authority provides funding and technical advice to the local implementation committees, influencing implementation. As actions are undertaken, the degree of protection of source waters within the watersheds and aquifers is expected to increase, and water threats minimized. This measure illustrates the number of key actions underway or complete. Since the first plan was completed in 2006, more than 250 watershed protection actions have been undertaken within the planning areas. As new plans are completed, additional actions are identified, thus the total number of actions has been increasing over time.

Total funds directed to water supply infrastructure upgrades with support of Rural Water Quality Reports



Watershed Authority staff conduct water quality investigations and subsequently develop Rural Water Quality Reports that provide communities with information concerning their drinking water supplies and what can be done to improve safety

of the water. In many cases, community infrastructure upgrades are recommended. Communities use the reports to support a proposal for both federal and provincial funding to invest in infrastructure, at an equal cost share with the communities. The investment in infrastructure upon presentation of a Report is one indication of the quality of the report.

This measure tracks the total funds from federal, provincial, and municipal sources directed to infrastructure by communities with Rural Water Quality Reports. The 2008-09 funding was directed to infrastructure upgrades in Hepburn, and the 2009-10 funding was directed to Pilot Butte. It is expected that the dollars invested will be greatest in the first number of years, as the highest priority communities are being addressed first, and these communities will likely have the greatest infrastructure needs.

Work at Katepwa Lake in 2009 led to a number of improved water management practices by individuals and the resort village, but the changes needed did not require large investments. In 2010, the program was redirected to assisting people whose wells were contaminated by flooding, and this work was not designed to identify a need for new investments. As a result, no funds were directed to infrastructure upgrades due to this program in 2010-11.

Ensure Watershed Authority-owned water structures are safe and maintained.

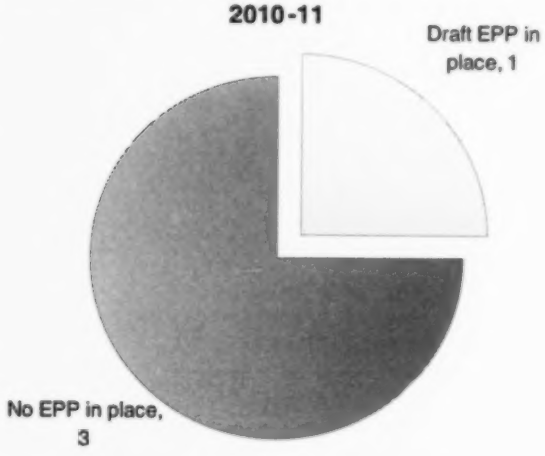
Reporting Results

- Undertake dam safety activities to assess and manage the safety of Watershed Authority works, including the following:
  - Undertake internal dam safety reviews at five Watershed Authority dams;
  - Finalize the draft Emergency Preparedness Plan and draft Emergency Response Plan for Gardiner Dam;
  - Draft Emergency Preparedness Plans and Emergency Response Plans for Rafferty, Alameda and Qu'Appelle River Dams.
- The Watershed Authority invested $689,900 during the year on dam safety management. These dam safety activities focus on identifying and addressing the risks to the Watershed Authority's dams, consistent with Canadian Dam Association guidelines.
- For its lower consequence works, the Watershed Authority conducts dam safety reviews utilizing its own staff. These periodic reviews serve as one method to assess the safety of dams and identify any needed upgrading measures. Watershed Authority staff undertook multidisciplinary inspections of seven dams and control structures, including Zelma, Dellwood Brook, Darmody, Kingsway, Moose Mountain, Summercove dams and Stelcam Weir. By year end, reports for all seven projects were in various stages of completion.
- An Emergency Response Plan was drafted for Gardiner Dam. Review and confirmation of internal and inter-organizational communication protocols during emergencies is needed prior to finalization of this and other emergency response plans. Further work on this plan was delayed to enable a response to excessive moisture conditions.
- Preparation of Emergency Preparedness Plans for Rafferty and Alameda Dams was initiated. A draft Emergency Response Plan was also prepared for Rafferty Dam. Review and confirmation of internal and inter-organizational communication protocols during emergencies is needed prior to finalization of these emergency plans. Work is continuing on these plans and is expected to be completed during the next year.

Progress in 2010-11

Measurement Results

Number of required Emergency Preparedness Plans (EPP) for the Watershed Authority's four major dams, in place and current.



In the event of an emergency, quick and knowledgeable response to the situation can potentially save lives, reduce damages, and preserve water supplies. This is a measure of the number of required Plans that are in place and current. The Saskatchewan Watershed Authority's Dam Safety Policy indicates that the Watershed Authority's four major structures require Emergency Preparedness Plans. Only Gardiner has a draft Emergency Preparedness Plan in place. While work on a Plan was initiated for Rafferty Dam, further work on this and on the draft Emergency Preparedness Plan for Gardiner Dam, already in place, is continuing and is expected to be completed during the next fiscal year.

Reduce risk of flood damages in the province.

Reporting Results

- Forecast flood risk and notify potentially impacted communities of flood risk.
  - In 2010-11, the Watershed Authority provided flood risk forecasting and notified potentially impacted communities. The Watershed Authority operates a river forecast and monitoring centre year around and issues flood forecasts via media advisories as required.
  - With the risk of high floods, the Watershed Authority conducted snow surveys, provided forecasts, lowered reservoirs and issued warnings to communities and individuals to prepare for potential flooding.
  - Based on the record wet conditions of 2010, the Watershed Authority provided an early advisory to the Deputy Minister's Flood Response Committee warning of the potential for significant flooding in spring 2011. This was followed up with monthly updates to March 1st, then bi-monthly and then on a daily basis during runoff. The flood forecasts stimulated provincial action in creating the Emergency Flood Damage Reduction Program, which helped hundreds of communities and individuals prepare.
- Provide emergency advice on flood protection measures.
  - The excessive rainfall experienced during the summer 2010 caused flooding problems at numerous locations, including Maple Creek, Good Spirit Lake, Fishing Lake, Waldsea /Lenore Lakes, RM of Corman Park and many others. The Watershed Authority was engaged with local governments in developing appropriate emergency response measures during the flood event and continues to work with communities to identify and evaluate options to reduce future flood risk potential.
  - In response to the high risk of flooding in spring 2011, the Watershed Authority, working with the Ministry of Corrections, Public Safety and Policing, announced and implemented the $22 million Emergency Flood Damage Reduction

Program. Program details were announced on February 22, 2011.

- By end of the fiscal year, more than 500 communities, rural municipalities and individuals were receiving engineering and financial assistance to protect homes and permanent structures against flood damage.

- Establish peak water level estimates for building elevations around lakes and water courses.
  - The Watershed Authority continued to support the municipal government flood protection measures by providing peak water level estimates for building elevations around lakes and water courses.
  - High water levels during the year again showed the value in keeping developments out of the flood plains.

- Provide long-term flood protection for communities around Fishing Lake by obtaining approvals to have the emergency berms converted to long-term berms.
  - During the year, in response to increasing water levels, the Watershed Authority developed and implemented an Emergency Flood Protection Plan for Fishing Lake, which included four components:
    - construction of a channel to improve outflow capacity from the lake;
    - raising low spots of existing berms around Fishing Lake to the design elevation;
    - sandbagging properties not protected by berms and at risk of flood and erosion damage, and;
    - assisting the Fishing Lake First Nation with drainage improvements on Reserve.
  - All necessary regulatory approvals were secured.
  - Negotiated an operating plan for the channel with the province of Manitoba.
  - Negotiated land control with eight land-users (owners or lease holders) providing fair market compensation.
  - The channel was constructed on an emergency basis and environmental mitigation will continue in 2011-12.
  - At year end, construction of the channel was essentially complete and the control structure was nearing completion, berms had been raised and sand bagging was nearing completion.
  - In 2010-11, the Watershed Authority received regulatory approval from Saskatchewan Ministry of Environment to make the berms permanent.
  - Additional information requested by Fisheries and Oceans Canada was provided to support application for approvals to render the berms permanent. Approval from the Department of Fisheries and Oceans Canada remains pending.
  - The Watershed Authority also conducted an assessment of fish habitat compensation requirements which is ready for consideration by Fisheries and Oceans Canada.
  - The Watershed Authority worked with Fishing Lake First Nation on the project development to fulfill the province's duty to consult obligations and the resulting consultation has been constructive and is ongoing.

- Undertake the necessary engineering and environmental investigations to determine the feasibility of converting the emergency berms at Waldsea Lake to long-term berms.
  - With record rainfall through 2010, Waldsea Lake continued to rise. Preliminary engineering assessments indicated the cost of making the berms permanent would be expensive ($20 M) and may not provide a permanent solution.
  - Any permanent solution was further complicated by the high levels on

Deadmoose and Houghton lakes resulting from a Federal Order preventing outflow into Lenore Lake. The Watershed Authority had to construct a temporary berm to prevent overflow to Waldsea Lake.

- As a result, it was concluded that Waldsea Lake Regional Park was no longer viable.
- The Watershed Authority provided financial assistance to help 43 cabin owners move or compensate owners for the loss of their cabins.
- The Watershed Authority decommissioned the Waldsea Lake Regional Park. At year end the site cleanup was almost complete.

- Implement plan to address impact of drainage on flooding at Lake Lenore and Fishing Lake.
  - In the Lenore Lake Basin, the Watershed Authority continues to work with the Lake Lenore Planning Committee to investigate means to lessen the impact of high water levels. In September, the Committee met with Minister Duncan to ask for assistance in furthering the development of two projects (West Side Interceptor and Goose Hunting Creek Outlet). The Minister has indicated that the Province (Watershed Authority) would assist the group with a more detailed investigation of the feasibility of these projects. In addition to these efforts, the Watershed Authority continues to implement the Drainage Moratorium in the Waldsea, Deadmoose and Houghton basins.
  - In the Fishing Lake Basin, the Watershed Authority hired an engineering consultant to investigate means to lower water levels on Fishing Lake.
  - The drainage moratorium was maintained.
  - The Watershed Authority initiated a judicial review of the order of Environment Canada and Fisheries and Oceans Canada to close the outlet culverts at Houghton Lake which spill to Lake Lenore, challenging the validity of the order under *The Fisheries Act and The Canadian Constitution Act.* Court documents and affidavits were filed in Federal Court. The court hearing was pending at the end of the fiscal year.

Manage water to meet responsibilities for aquatic ecosystem and fish habitat needs.

Reporting Results

- Continue work to determine in-stream flow requirements on priority water control structures.
  - Eleven critical sites have been selected for in-stream flow needs to assess the potential impact of water management on ecological health. Work continued on these assessments with the collection and assessment of data particularly on critical species, such as sturgeon.
  - Fisheries, macro invertebrate, water quality, riparian health, and physical habitat (depth, substrate, velocity) data have been collected. For the Saskatchewan River, spatially-explicit habitat suitability models have been developed to assess habitat availability at various flows.
  - The Watershed Authority, in partnership with the Ministry of Environment, SaskPower, Fisheries and Oceans Canada and the Canadian Wildlife Service, is undertaking an extensive study to better understand the sturgeon and their habitat and relate it to in-stream flow needs.
- Evaluate the impacts of beneficial management practices on water quality through the Watershed Evaluation of Best Agricultural Management Practices (WEBs) study.
  - The WEBs project, located in the Pipestone Creek basin, is entering its second year. In year one, no beneficial management practices were imposed but both soil and water samples were

collected and analysed for baseline information. In year two, beneficial management practices at all sites will be imposed and sampling will occur during runoff events.

- Communication with local farmers and ranchers through field days and poster presentations occurred on several occasions.

- Continue to work on the SaskPower, Fisheries and Oceans Canada, Ministry of Environment and Watershed Authority Fisheries Issues Committee to determine and mitigate impacts of SaskPower operations on aquatic ecosystems.
  - In 2010-11, the Watershed Authority continued to work on the SaskPower, Fisheries and Oceans Canada, Ministry of Environment, and Watershed Authority's Fisheries Management Committee. In response to identification of 49 issues at 14 SaskPower facilities, this Committee has completed 62.4% of 125 activities required at 13 facilities. Currently the Committee is actively working on 27 ongoing facility issues, 10 facility issues have been resolved and removed from the list of potential concerns, and 12 facility issues are on hold due to lower priority or information gaps. Additional accomplishments include:
    - Relevant data and reports have been collected, centralized and made available to the committee via the SaskPower ftp site.
    - Five issues initially identified at Whitesand Dam have either been revised to non-issues (entrainment, maintenance shutdown, reservoir fluctuations), resolved (tailrace stranding), or are on hold (instream flow needs).
    - Two issues initially identified at Island Falls have been revised to non-issues (reservoir fluctuations, spillway stranding).
    - A study to identify high risk fish stranding locations in the EB Campbell tailrace has enabled development of a plan to reshape the tailrace to prevent stranding.
    - River2D modeling determined that the increase in minimum flow from 0 to 75 cms at EB Campbell reduced fish stranding potential downstream by 50%.

The Saskatchewan Watershed Authority supports Government's goal to Keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Improve the effectiveness and efficiency of the Watershed Authority's programs and services so as to ensure the best use of public funds.

Reporting Results

- Continue the management practice of assessment and continuous improvement to ensure a robust, objective and multi-year assessment function.
  - The Watershed Authority has initiated several improvement initiatives, including developing web-based processes to support temporary water use applications, and has initiated a Lean program review to seek further efficiencies. However, the Watershed Authority redirected large numbers of staff to address 2010 flooding and preparing for the 2011 flood. As a result, the LEAN review is progressing more slowly than anticipated, but will be moved forward through 2011-12. The web-based application procedure will also be implemented in 2011-12.
- Review Watershed Planning and Plan Implementation.
  - The Watershed Authority had intended to undertake a review of the Watershed Planning and Plan Implementation

process in 2010-11. However, staffing issues have delayed progress on this initiative and the work was deferred to 2011-12.

- Assessment of the Reservoir Development Area Regulations.
  - The Watershed Authority initiated and finalized an assessment of the Reservoir Development Area Regulations in this fiscal year. Results indicated the regulations are no longer essential for water management. The Watershed Authority is currently consulting with involved Ministries and, if no major issues are identified, intends to pursue repeal of the regulations
- In consultation with Ministry of Environment, continue development of new water allocation, compliance and drainage policies.
  - A compliance policy to help support the objectives of the Watershed Authority's legislation, policies and programs is near completion pending review by executive management.
  - The first phase of the water allocation policy which included documenting established procedures was completed. This policy will be completed through the development of the provincial water strategy.
  - The Watershed Authority supported Ministry of Environment's review of wetland policy.
- In consultation with Ministry of Environment, continue development of new water management legislation to provide appropriate tools to meet water management objectives while minimizing regulatory issues.
  - Drafting of legislation has been deferred until development of a provincial water strategy is complete.

Work toward reconciliation in water management, while meeting legal responsibilities for consultation and accommodation regarding First Nations and Métis communities.

Reporting Results

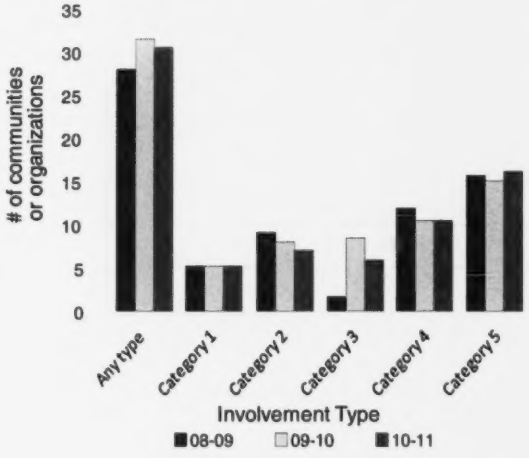
- Finalize agreements necessary to assist the Government of Canada to achieve a long-term settlement of the First Nations' flood claims in the Qu'Appelle Valley.
  - Completed drafting of legal agreements to achieve a long-term settlement of Muscowpetung, Pasqua, Sakimay and Cowessess First Nations' flood claims against Canada to a degree where the agreements are ready for consideration by the principals.
  - Once the drafting process is complete, ratification of the agreements by the First Nations, Saskatchewan and Canada will commence.
- Finalize Water Management Agreements with Qu'Appelle Valley First Nations to advance reconciliation with the First Nations and address the regulatory gap for water management on reserves.
  - The Watershed Authority continued to negotiate water management agreements with the Muscowpetung, Pasqua, Sakimay and Cowessess First Nations in the Qu'Appelle Valley. This activity is in response to requests from the First Nations involved in the flood claim settlements, and is intended to help address and resolve matters related to the protection, enhancement and management of the aquatic environment in the Qu'Appelle River Basin.
  - At year end, the water management agreements were in the final stages of drafting.

Progress in 2010-11

- Consult with First Nations and Métis people where the Watershed Authority is planning work that may impact Aboriginal or Treaty Rights.
  - In 2010-11, the Watershed Authority held discussions with a number of First Nations where proposed work may impact Aboriginal or Treaty Rights. Also, when required, these discussions include the Ministry of First Nations and Métis Relations, the Ministry of Environment, and Fisheries and Oceans Canada.
  - The Watershed Authority has continued to work closely with Fishing Lake First Nation with regard to making the flood protection berms on Fishing Lake permanent and mitigating for loss of fish habitat as a result of berm construction. Consultation was also initiated with Fishing Lake First Nation on the construction of channels downstream of Fishing Lake to provide greater flood protection to area communities. To support this process, work was focused on engaging a newly elected chief and council, as well as re-engaging the elders within the community.
  - Activities related to flood measures at Waldsea Lake also resulted in the Watershed Authority working toward a stronger, long-term working relationship with the Métis Nation-Saskatchewan through better lines of communication and the sharing of information.

Measurement Result

Number of First Nations and Métis communities or organizations with whom the Watershed Authority is involved



First Nation and Métis interest in water availability and quality is continuing to grow and may result in conflicts over use, especially in areas with water shortages. Proactive relationship building will help reduce future conflicts and contribute toward positive water management alliances. The number of communities and / or government bodies with whom the Watershed Authority, at a minimum, has a two-way dialogue, is a simple measure of the Watershed Authority's efforts to build relationships. For this measure, the total number of communities the Watershed Authority is directly involved with is presented, along with a breakdown according to categories of involvement, as follows:

Progress in 2010-11

Any type: This is the total number of First Nations and Métis communities or organizations the Watershed Authority is involved with in any of the categories. The Watershed Authority may have more than one category of involvement with any given community or organization; therefore, this does not represent a sum of the five broken-out categories.

Category 1. Formal Province – First Nations / Métis agreements or negotiations: discussions underway or agreement in place

Category 2. Formal consultations (activities specific to legal duty to consult requirements)

Category 3. Advisory board or committee participation (watershed / aquifer planning or infrastructure operation): representation on Watershed Authority-led planning or advisory committees

Category 4. Community-based projects / initiatives: preliminary discussions, under development or already in place; Watershed Authority – First Nations / Métis projects

Category 5. Dialogue / information exchange /relationship-building: informal discussions with community / organization representatives, including feedback received about Watershed Authority initiatives

The 2010-11 measurement results indicate the Watershed Authority is directly involved with 30 First Nations and Métis communities or organizations, with the majority of involvement falling in the category of community-based projects and initiatives (Category 4) or dialogue, information exchange, or relationship-building activities (Category 5). This is a positive picture, as these types of informal relationships support the Watershed Authority's ability to engage positively in more complex arrangements. The Watershed Authority is working to grow the overall numbers, paying particular attention to activities that involve First Nations or Métis communities and organizations in advisory-type roles (Category 3).

Attract, retain and build professional staff by supporting employee growth and development and increasing employee engagement.

Reporting Results

- Develop and implement a Human Resources Manual for corporate recruitment activities from receipt of a staffing requisition to employee orientation considering best practices to ensure capture and transfer of knowledge.
  - A draft Human Resources Management Strategy (HRMS) framework has been finalized for implementation in the 2011-12 fiscal year which identifies action items Human Resources will undertake in support of the HRMS objective of attracting, retaining and developing professional staff.
  - The new HRMS objective is to attract, retain and build professional staff by supporting employee development, stimulating and directing employee engagement and enabling employees to succeed.
  - Key first priorities focus on enhancing Watershed Authority recruitment practices through the increased use of social media and a targeted branding program, the investigation into potential performance management systems, management, and the implementation and promotion of a corporate-wide occupational health and safety (OHS) program.
- Introduce a revised performance management system that recognizes individual performance and staff development activities.

Progress in 2010-11

  - Because of other priorities, completion of the HRMS and Recruitment and OHS Program documents, development of a draft Performance Management Framework was moved to the 2011-12 fiscal year.

- Identify needs, implement and support staff training, skills enhancement and career development programs as part of the Human Resource Management Strategy and to support Corporate Succession Strategy initiatives.
  - The Watershed Authority continued to prioritize budget for staff training, skills enhancement and career development programs.
  - To date, the Watershed Authority has had good success with in-place succession planning strategies and with the expectation of an impending retirement surge; a proactive approach is planned involving prioritizing training and development opportunities including budget is planned.
- Implement a Workplace Incident Program with a focus on creating a culture of mutual respect by dealing pro-actively with conflict, harassment/discrimination and violence issues.
- In the 2010-11 fiscal year the Watershed Authority focused on developing and finalizing a formal, corporate wide OHS Program framework for implementation in 2011-12. While a draft framework was submitted to executive in 2010-11, it has been significantly re-worked to be more consistent with the OHS Act and Regulations, Executive Government and industry standards. This draft framework is intended to be re-submitted to executive early in the 2011-12 fiscal year with a list of recommended actions for completion in that year.
- Key first priorities focus on the Watershed Authority signing the Work Safe Saskatchewan Charter, undertaking a risk assessment by job description to develop an OHS training strategy, and continued investigation into developing a best practices strategy for implementing the Workplace Incident Program.

2010-11 Financial Overview

During the 2010-11 fiscal year, the Saskatchewan Watershed Authority realized a surplus of $1,629,000 on regular operations compared to a budgeted deficit of $5,596,000. Regular revenues for the year were $29,353,000, above the budget of $25,866,000. Water revenue increased by $1,771,000 compared to budget due to higher volumes of water available for hydropower. The depredation fund established for the Souris Basin Project to deal with waterfowl depredation was dissolved in 2010-11. The balance of this account, $1,400,000, was recognized as other revenue. Regular expenses for the year were $27,724,000, $3,738,000 below the budget of $31,462,000. The largest contributors to the under expenditure were the toilet rebate program, where expenditures were less than projected, savings due to vacancies across the organization, lower than budgeted spending on staff development and redirection of staff from regular programs to flood issues.

In comparison to 2010, water revenue increased by $5,056,000 and this, along with dissolution of the Souris Basin Depredation Fund, were the major contributors to the increase in revenue. This water power increase reflects an increase in the Water Power rate charged for hydroelectricity production and an increase in the volume of water available to hydroelectric plants during the year.

With record rainfall during the summer of 2010, a wet fall and above average snow accumulation in many areas, wide spread flooding was anticipated across Southern Saskatchewan. The Emergency Flood Damage Reduction Program was initiated by the Watershed Authority to assist individuals, local governments and businesses to prepare for the flood. The Watershed Authority also led projects to provide long term solutions to flooding issues at Fishing Lake and Waldsea Lake. Watershed Authority received special funding of $45,754,000 for these flood relief initiatives during the fiscal year. The majority of expenses related to these initiatives will occur in the 2011-12 fiscal year. Flood relief expenses were $11,408,000 leaving a surplus during the year of $34,346,000. This surplus was the largest component of the total surplus of $35,975,000.

SASKATCHEWAN WATERSHED AUTHORITY

FINANCIAL STATEMENTS

March 31, 2011

Deloitte & Touche LLP
900 - 2103 11th Ave
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have audited the accompanying financial statements of Saskatchewan Watershed Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Authority as at March 31, 2011, and the results of its operations and accumulated surplus, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

Chartered Accountants

June 24, 2011
Regina, Saskatchewan

SASKATCHEWAN WATERSHED AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2011	2010 (Restated note 3)
	(Thousands of Dollars)	
FINANCIAL ASSETS		
Cash	$ 54,771	$ 14,200
Accounts receivable	6,290	4,957
	61,061	19,157
LIABILITIES		
Accounts payable and accrued liabilities	11,330	2,040
Flood relief projects obligations (note 4)	-	5,063
Deferred revenue (note 5)	96	1,532
Employee future benefits (note 6)	763	786
Current portion of long-term debt (note 7)	224	-
Long-term debt (note 7)	2,476	-
	14,889	9,421
NET FINANCIAL ASSETS	46,172	9,736
NON FINANCIAL ASSETS		
Tangible capital assets (note 8)	300,443	300,887
Prepaid expenses and supplies	197	214
	300,640	301,101
ACCUMULATED SURPLUS	$346,812	$ 310,837

Commitments and contingencies (note 10)

See accompanying notes

On behalf of the Board:

Director

Statement 2

SASKATCHEWAN WATERSHED AUTHORITY

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31

	Budget (unaudited) (note 13)	2011	2010 (Restated note 3)
			(Thousands of Dollars)
REVENUE			
Government of Saskatchewan			
- General Revenue Fund	$ 6,859	$ 6,314	$ 7,533
- Fish and Wildlife Development Fund	828	828	828
Water revenue	16,409	18,180	13,124
Contract revenue (Schedule 1)	750	1,370	1,003
Other	1,020	2,661	1,413
	25,866	29,353	23,901
EXPENSES (Schedule 2)			
Corporate services	3,894	2,829	3,021
Regional services	8,404	6,263	7,183
Infrastructure management	3,741	3,541	4,062
Stewardship projects and administration	2,435	2,629	2,750
Watershed monitoring and assessment	2,427	2,770	2,716
Watershed planning	922	983	650
Hydrology services	2,173	2,141	2,082
Interjurisdictional water management and administration	1,838	691	1,159
Groundwater management	1,317	1,364	1,107
Interest	161	11	16
Amortization of tangible capital assets	4,150	4,502	4,298
	31,462	27,724	29,044
(Deficit) surplus for the year before the following	(5,596)	1,629	(5,143)
Revenue related to flood relief projects (note 4)	-	45,754	-
Expenses related to flood relief projects (note 4)	-	11,408	261
Surplus (deficit) related to flood relief projects	-	34,346	(261)
(Deficit) surplus for the year	(5,596)	35,975	(5,404)
Accumulated surplus – beginning of year as previously reported	311,499	310,837	316,747
Accounting error (note 3)	-	-	(506)
Accumulated surplus – beginning of year as restated	311,499	310,837	316,241
Accumulated surplus – end of year	$305,903	$346,812	$ 310,837

See accompanying notes

SASKATCHEWAN WATERSHED AUTHORITY

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31

	2011	2010 (Restated note 3)
	(Thousands of Dollars)	
Surplus (deficit) for the year	$ 35,975	$ (5,404)
Acquisition of tangible capital assets	(4,066)	(4,104)
Amortization of tangible capital assets	4,502	4,298
(Gain) loss on sale of tangible capital assets	(1)	29
Proceeds on sale of tangible capital assets	9	285
	36,419	(4,896)
Use of prepaid expenses and supplies	17	48
Increase (decrease) in net financial assets	36,436	(4,848)
Net financial assets – beginning of year as previously reported	9,736	15,090
Accounting error (note 3)	-	(506)
Net financial assets - beginning of year as restated	9,736	14,584
Net financial assets – end of year	$ 46,172	$ 9,736

See accompanying notes

SASKATCHEWAN WATERSHED AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2011	2010 (Restated note 3)
		(Thousands of Dollars)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES:		
Surplus (deficit) for the year	$ 35,975	$ (5,404)
Items not affecting cash:		
Amortization of tangible capital assets	4,502	4,298
(Gain) loss on sale of tangible capital assets	(1)	29
Net change in non-cash balances relating to operations:		
Accounts receivable	(1,333)	(251)
Prepaid expenses and supplies	17	48
Accounts payable and accrued liabilities	9,290	71
Flood relief projects obligations	(5,063)	(865)
Employee future benefits	(23)	107
Deferred revenue	(1,436)	(70)
	41,928	(2,037)
CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(4,066)	(4,104)
Proceeds on sale of tangible capital assets	9	285
	(4,057)	(3,819)
FINANCING ACTIVITIES:		
Proceeds from loan payable	2,700	-
Increase (decrease) in cash during the year	40,571	(5,856)
Cash – beginning of year	14,200	20,056
Cash – end of year	$ 54,771	$ 14,200

See accompanying notes

1. STATUS OF THE SASKATCHEWAN WATERSHED AUTHORITY

The Saskatchewan Watershed Authority (the Authority) was established on October 1, 2002, under the authority of **The Saskatchewan Watershed Authority Act**. The Authority is a Treasury Board Crown corporation within the meaning of **The Crown Corporations Act, 1993**. The Authority is a continuing corporation of the Saskatchewan Wetland Conservation Corporation, established by Order in Council 29/90 dated January 10, 1990.

On October 1, 2002, the Saskatchewan Water Corporation transferred involvement in water management activities to the Saskatchewan Watershed Authority. These activities included the operations, maintenance and rehabilitation of provincially-owned water infrastructure including dams and conveyance channels, as well as the hydrometric, forecasting and regulatory functions of the Corporation.

In accordance with the provisions of **The Saskatchewan Watershed Authority Act, 2005** the Authority's general powers and purposes are to manage, administer, develop, control and protect the water, watersheds and related land resources of Saskatchewan and to promote the economical and efficient use, distribution and conservation of the water, watersheds and related land resources.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian generally accepted accounting principles appropriate for the public sector. The following accounting principles are considered to be significant:

Tangible Capital Assets
Tangible capital assets are recorded at cost. Internally provided engineering and technical services are capitalized at charge out rates designed to recover salaries, benefits and overhead. The objective of this policy is to recognize the approximate value of design, supervision and administrative services rendered by Authority employees on construction projects. As well, the Authority capitalizes interest expense on debt relating to specific construction projects. Charges for amortization are calculated at the following annual rates:

Tangible Capital Assets	Method	Rate
Buildings and leaseholds	straight-line	4%
Maintenance equipment	diminishing balance or straight-line, as appropriate	15% to 30%
Office equipment	straight-line	10% to 50%
Water infrastructure	straight-line	1.67% to 5%

Government of Saskatchewan Grants
Under the authority of Section 27 of **The Saskatchewan Watershed Authority Act, 2005** the Authority receives grants from the General Revenue Fund out of monies appropriated by the legislature or authorized by Order in Council. These grants are recorded as revenue when received or receivable and are used to fund grant programs, water management infrastructure rehabilitation and operations.

2. SIGNIFICANT ACCOUNTING POLICIES continued

Revenue Recognition
Contractual revenue received by the Authority for specific purposes is recognized as revenue in the year in which the related expenses are incurred. Water revenue is recognized as revenue in the year it is consumed. Other revenue includes: licences, fees, permits, interest income, pumping equipment rental and a service contract with SaskWater. These revenues are recognized in the year they are earned.

Grants to Clients
Grants provided to clients for a variety of programs are recorded as an expense to the Authority if the final approval for the grant payment was made during the year. Where the Authority enters into contractual agreements for project construction under various assistance programs, expenses are accounted for on an accrual basis.

Employee Future Benefits
The Authority administers a benefit relating to a retirement allowance which is paid to eligible employees upon retirement. The Authority has adopted the accrual method of accounting for this benefit whereby the cost of providing the benefits is recorded when the related services of employees are performed.

Measurement Uncertainty
The preparation of financial statements in conformity with Canadian public sector generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of assets for amortization periods and estimated future costs of the flood relief projects.

3. CORRECTION OF AN ACCOUNTING ERROR

The Authority has determined that the Flood relief projects obligations in 2008, 2009 and 2010 were understated. Consequently, the accumulated surplus as at March 31, 2010 has decreased by $662,000 and the 2010 financial statements have been restated. The Expenses related to flood relief projects has been increased by $156,000 for 2010. The impact of the 2008 and 2009 adjustments equate to $506,000 and is presented on the Statement of Operations and Accumulated Surplus as an Accounting change. Flood relief projects obligations on the Statement of Financial Position has been increased by $662,000 at March 31, 2010.

4. FLOOD RELIEF PROJECTS

In the spring of 2007, the Fishing and Waldsea Lake areas experienced extraordinary flooding due to well above normal runoff. On April 30, 2007, the government announced emergency measures to assist these communities to respond to the flooding, including coordinating the necessary measures to remove homes and cottages from the water, and development of long term protection from flooding. The Authority and Ministry of Corrections, Public Safety and Policing lead this emergency work.

The project included construction, operation and removal of earthen berms to allow for the dewatering of residential areas that were flooded. As a condition of the Department of Fisheries and Oceans' (DFO) permit issued to the Authority, the berms were to be removed by October 15, 2009. The General Revenue Fund granted the Authority $24,799,000 during 2007-08 to undertake these projects. The Authority expended $17,816,000 to March 31, 2008, and accrued an additional $8,699,000 as estimated costs of berm removal, to be incurred in future years, for a total expense of $26,515,000 in 2007-08.

4. FLOOD RELIEF PROJECTS continued

During the 2010-11 year, the Authority completed the project and as such, the obligation has been settled.

With record rainfall in the summer of 2010, a wet fall and above average snow accumulation in many areas, wide spread flooding is anticipated across the agricultural zone of Saskatchewan. An "Emergency Flood Damage Reduction Program" was implemented by the Province to provide, on a cost-shared basis, funding to assist individuals and communities with flood preparation. The Authority was allocated the funds to lead this program on behalf of the Province. As well, the Authority was allocated funds from Indian and Northern Affairs Canada to purchase equipment and materials to be dispersed to First Nations as necessary to combat flood damage in 2011. The Authority is also leading the work, on behalf of the Province, related to long-term solutions to flooding at Fishing and Waldsea Lakes. Funding provided to the Authority in 2010-11 for these flood relief initiatives is as follows:

Emergency Flood Damage Reduction Program	$22,865,000
Indian and Northern Affairs Canada	739,000
Fishing Lake	11,000,000
Waldsea Lake	11,150,000
	$45,754,000

5. DEFERRED REVENUE

The depredation fund established for the Souris Basin project to deal with wildlife and waterfowl depredation prevention and compensation was dissolved in 2010-11. The balance that remains in deferred revenue at year-end relates to funding received for various projects which have not yet been completed.

	2011	2010
	(Thousands of Dollars)	
Balance, beginning of year	$ 1,532	$ 1,602
Contractual revenues received	89	86
Recognition of prior year deferred revenue	(1,525)	(156)
Balance, end of year	$ 96	$ 1,532

6. EMPLOYEE FUTURE BENEFITS

The amounts related to the defined benefit retiring allowance are as follows:

	2011	2010
	(Thousands of Dollars)	
Accrued benefit liability	$ 763	$ 786
Benefits paid during the year	122	22
Net expense	99	129

The significant actuarial assumptions adopted in measuring the Authority's accrued benefit liability at March 31 are:

Discount rate	4.60%	5.00%
Inflation rate	2.50%	2.50%
Average remaining service life	10.9 years	11 years

7. LONG-TERM DEBT

Term	Interest Rate	2011	2010
		(Thousands of Dollars)	
10 year	3.98%	$ 2,700	$ -
Less: Current portion of long-term debt		224	-
		$ 2,476	$ -

This is a 10 year loan, effective March 31, 2011, due to Conexus Credit Union 2006 being repaid in monthly instalments commencing April 30, 2011 and ending March 31, 2021.

Long-term debt repayments in each of the next five years are as follows:

	(Thousands of Dollars)
2012	$ 224
2013	233
2014	243
2015	253
2016	263
	$ 1,216

8. TANGIBLE CAPITAL ASSETS

	2011			2010
				(Thousands of Dollars)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 5,155	$ -	$ 5,155	$ 5,155
Buildings and leasehold improvements	1,149	466	683	815
Maintenance equipment	2,632	1,919	713	682
Office equipment	2,189	1,141	1,048	1,039
Water infrastructure	387,657	94,813	292,844	293,196
	$ 398,782	$ 98,339	$ 300,443	$ 300,887

9. GRANTS TO CLIENTS

Included in expenses are grants or assistance provided to various persons and organizations to carry out a variety of programs administered by the Authority. In addition, where the condition of financial assistance for certain programs requires the Authority to provide engineering or technical services, an allocation of salaries to grant expenses is made. Particulars of these grants, including salary/overhead allocation of $495,700 (2010 - $636,400), by program, are as follows:

	2011	2010
		(Thousands of Dollars)
Flood Control and Drainage	$ 817	$ 1,039
Water Quality	587	448
Stewardship	249	160
Pumping Equipment Rental Program	-	113
	$ 1,653	$ 1,760

10. COMMITMENTS AND CONTINGENCIES

Contractual Commitments
As of March 31, 2011, the Authority has outstanding commitments of $10,073,000 (2010 - $523,400) for construction contracts, consulting agreements, and watershed funding agreements. Within various contractual agreements, the Authority has committed to provide in-kind services. If contracts were terminated, the Authority's only liability would be for actual costs incurred to date.

Leases
The Authority has entered into various operating lease agreements with the following minimum lease payments:

	(Thousands of Dollars)
2012	$ 1,057
2013	1,038
2014	1,024
2015	694
2016	472
2017 and thereafter	333
	$ 4,618

Litigation
The Authority is party to eight lawsuits related to various water management issues of which the outcome can not be determined, therefore, no amounts have been allowed for settlement in these statements.

11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Authority by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end, are as follows:

	2011	2010
	(Thousands of Dollars)	
Water, contract and other revenue	$ 18,549	$ 13,534
Expenses	3,650	3,646
Accounts receivable	4,512	4,071
Accounts payable	192	177

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

12. PENSION PLAN

The Authority's employees participate in either the Capital Pension Plan or the Public Employees Pension Plan (the Plans), both of which are defined contribution pension plans. The Authority's contributions to the Plans include making regular payments into the Plans. The total amount paid into the Plans for 2011 was $802,500 (2010 - $846,000).

13. BUDGET FIGURES

The budget figures are presented for comparison purposes. The Authority's Board of Directors approved this budget on March 16, 2010.

SASKATCHEWAN WATERSHED AUTHORITY
Schedule 1 - Contract Revenue

Year Ended March 31

	2011	2010
	(Thousands of Dollars)	
Canadian Wildlife Service	$ 327	$ 280
Environment Canada	144	91
Wildlife Habitat Canada	100	100
United States - Federal and State	25	64
Provincial Council of Agriculture Development and Diversification Boards of Saskatchewan Inc.	105	100
University of Regina	292	82
Other	377	286
	$ 1,370	$ 1,003

SASKATCHEWAN WATERSHED AUTHORITY

Schedule 2 - Expenses by Program

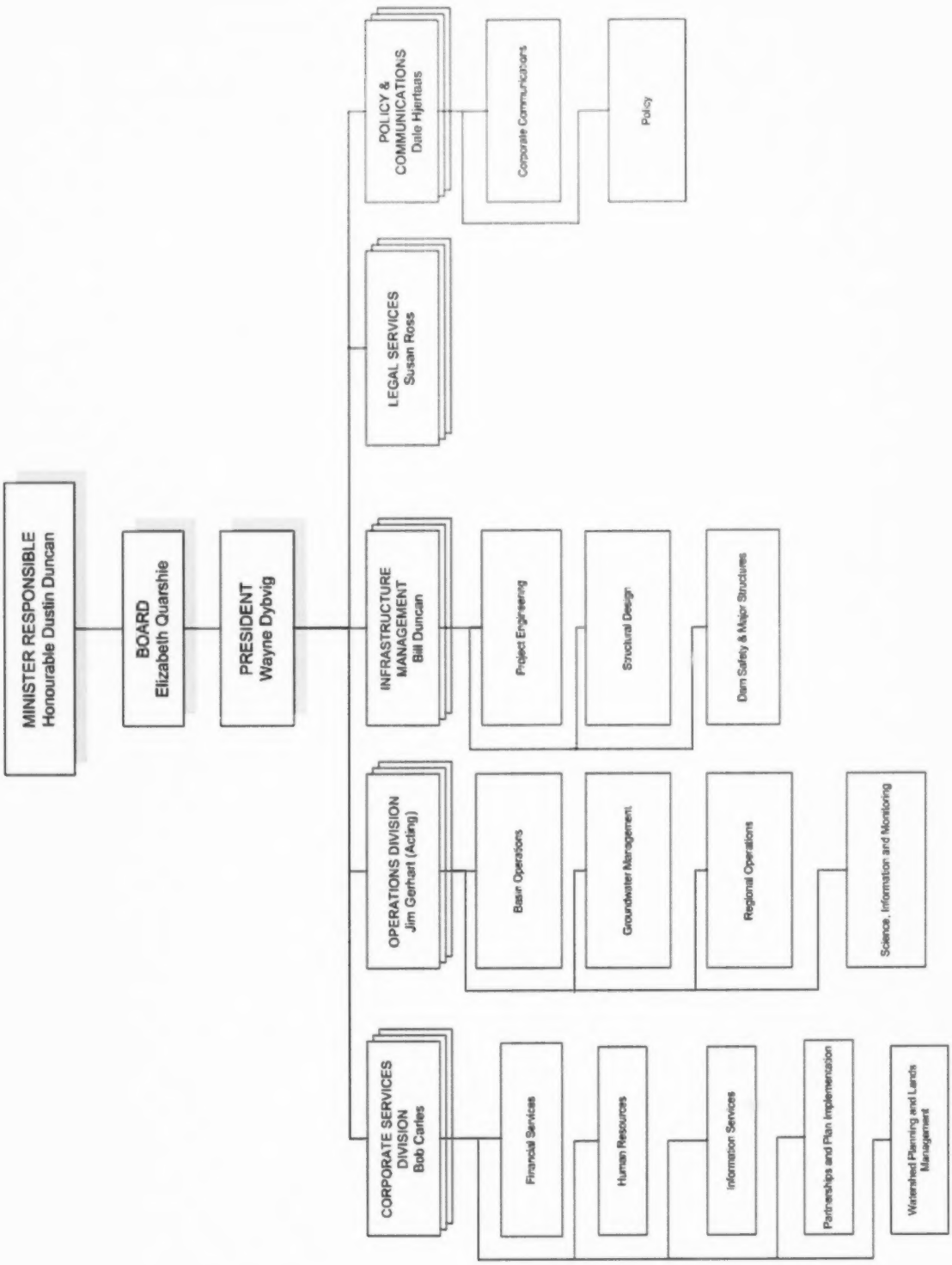
Year ended March 31

	Corporate services	Regional services	Infrastructure management	Stewardship projects & administration	Watershed monitoring & assessment	Watershed planning	Hydrology services	Interjurisdictional water management & administration	Groundwater management	Interest & amortization	2011 Total	2010 Total
											(Thousands of dollars)	
Salaries and benefits	$ 3,841	$ 3,455	$ 2,763	$ 1,010	$ 1,606	$ 570	$ 1,114	$ 301	$ 702	$ -	$ 15,362	$ 15,587
Travel and other staff costs	260	190	170	134	175	76	146	22	12	-	1,185	1,335
Professional services	195	27	91	141	298	22	8	19	404	-	1,205	1,487
Office supplies	550	92	31	21	33	13	17	20	6	-	783	776
Materials	-	5	132	3	63	32	33	1	4	-	273	223
Contractual services	5	3	160	113	4	12	534	165	1	-	997	1,412
Cash grants	-	1,511	-	1,117	-	12	-	-	-	-	2,640	2,036
Salary allocations	(3,081)	433	44	59	403	195	234	105	196	-	(1,412)	(897)
Other expenses	1,059	547	150	31	188	51	55	58	39	4,513	6,691	7,085
Total	$ 2,829	$ 6,263	$ 3,541	$ 2,629	$ 2,770	$ 983	$ 2,141	$ 691	$ 1,364	$ 4,513	$ 27,724	$ 29,044

For More Information

More detailed information can be obtained by visiting the Saskatchewan Watershed Authority's website at **www.swa.ca**, calling its head office in Moose Jaw at 306-694-3900, or contacting the water inquiry line toll free at 1-866-SASK-H20 (1-866-727-5420).

Appendix 1: Organizational Chart



Appendix 2: Regions and Office Locations